



## **CALVET HOME IMPROVEMENT LOAN APPLICATION PACKAGE**

This package contains forms and instructions for obtaining a CalVet Home Improvement Loan. We have included all of the forms you will need. Important note: In order to qualify for a CalVet Home Improvement Loan, you must already have an active CalVet Home Loan on your home, or you must be able to deed the property back to CalVet so that a new CalVet Contract can be created. Other restrictions are explained in the forms in this package.

Before you begin:

Carefully read the CalVet Home Improvement Loan Program description available on-line. If you have questions, feel free to send us e-mail or contact the nearest CalVet District Office. A list of CalVet District Offices and the areas they cover is available on our website at <http://www.cdva.ca.gov/calvet/offices.asp>. Please read all of the forms and instructions before submitting your application.

Contents of this package:

- Home Improvement Loan Information Sheet (HIL Info 6/2004)

This form provides a detailed description of the CalVet Home Improvement Loan program and qualifications for applying.

- Home Improvement Loan Eligibility (HIL Eligibility 6/2004)

Review this information to determine your eligibility for a CalVet Home Improvement Loan.

- Home Improvement Loan Required Attachments List (HIL Attachments 6/2004)

This list describes the documents which must accompany your CalVet Home Improvement Loan application.

- Home Improvement Loan Application (HIL Application 6/2004)

This is the application form for obtaining a CalVet Home Improvement Loan.

- CalVet Home Loans Office Locations

Mail or deliver your completed application to the office closest to your residence.



## HOME IMPROVEMENT LOAN INFORMATION SHEET

Home improvement loans are available to active CalVet contract holders including un-remarried spouses of veterans whose death, either while on active duty or after release from active duty, is determined to be service connected, or who were designated POWs and MIAs. Loans are also available to veterans who do not have a current CalVet Home Loan and can transfer title on their property to CalVet in order to enter into a new Land Sales Contract. The program is limited to homes, including the main dwelling on farm properties, and mobile homes located on land owned by the veteran purchaser. Home Improvement Loans are not available for mobile homes in rental parks.

1. **Funding sources:** Home improvement loans are funded with proceeds from the sale of Qualified Mortgage Bonds (QMB) or Qualified Veterans Mortgage Bonds (QVMB). In addition a limited amount of "Unrestricted" funds are available for veterans with service during wartime periods. These funding sources have separate eligibility requirements and maximum loan amounts. The following information is provided to assist applicants in determining the source of bond funds for which they may qualify.

**QVMB funds:**            Loan amounts:            \$1,000 to \$50,000  
Maximum loan term:    15 years  
**Requirements:** Veterans must have been released from active duty less than 30 years, had active duty prior to January 1, 1977, and have at least one day of service during a wartime period (see HIL Eligibility 4/2004), **or** be eligible for receipt of a Campaign or Expeditionary Medal authorized by the government of the United States.

**QMB funds:**            Loan amounts:            \$1,000 to \$15,000  
Maximum loan term:    10 years  
**Requirements:** Total family income cannot exceed federally established limits for **non-target** areas (refer to attached) (Note: Unremarried spouses must be funded with revenue bond funds)

**Unrestricted funds:** Loan amounts:            \$1,000 to \$50,000  
Maximum loan term:    15 years  
**Requirements:** Veterans must have service during a qualifying wartime period (see below) **or** be eligible for receipt of a Campaign or Expeditionary Medal authorized by the government of the United States.

Refer to the **Home Improvement Loan Eligibility** (HIL Eligibility 4/2004) for additional information.

2. **Acceptable Improvements:** Improvements must enhance the basic livability or energy efficiency of the home/property including maintenance items such as painting, re-roofing, and general repairs, and/or addition of living space. Examples include the renovation of baths, kitchens, plumbing and electrical systems including wells for domestic water supply; installation or replacement of heating or air-conditioning systems, including solar energy systems; installation of insulation, weather stripping and thermal windows; earthquake retrofitting, including, but not limited to, water heater strapping, foundation strapping/bolting, and truss reinforcements; pest control work necessary to cure an infestation and/or repair damage. (In the case of farm properties, repairs and improvements must be to the main dwelling.) Other acceptable improvements that would increase the basic livability of the property include carports, garages, driveways, entry walks, patios, landscaping, fences, retaining walls, sprinkler systems, garden planters, and curbing.

**Unacceptable Improvements:** Improvements not covered are items that are strictly for recreation or entertainment, such as swimming pools, saunas, hot tubs, pool houses, and tennis courts, or improvements to farm property for the purpose of increasing agricultural production. Loan proceeds cannot be used for escrow, title insurance, appraisals, or any other fees associated with loan processing and/or transferring title to Cal Vet.

3. **CalVet Home Loan payment history:** A good payment record on your basic CalVet Home Loan is a requirement. Applications from veterans who have received a "Notice of Intent to Cancel Contract" within the last 12 months will routinely be denied. In addition, overall credit must be satisfactory. The department may deny the requested home improvement loan amount if it is determined that the additional payment would jeopardize the veteran purchaser's financial stability.

4. **Maximum Total Loan Term:** In no event will the total repayment term extend beyond **forty (40) years** from the date of the original loan contract.

5. **Maximum Loan to Value ratio:** The combined total of the CalVet loan balance, the Home Improvement Loan and the balance of any secondary financing cannot exceed 90% of the enhanced market value of the subject property.
6. **Fire insurance and Disaster Indemnity coverage** will be increased in accordance with the completed improvements to maintain full replacement cost coverage.
7. **Impound Installments:** If the basic CalVet loan is paid in full prior to the pay off of the improvement loan, the improvement loan installment shall be increased to include the impounds for insurances, Disaster Indemnity, and property tax portions (if applicable) of the former basic installment.
8. **Application Fee:** A non-refundable \$25 application fee **must accompany** the home improvement loan application. There will also be an origination fee **due at loan approval** which will be equal to 1.5% of the amount of the home improvement loan.
9. **Interest Rate:** The interest rate charged will be the current rate charged on new CalVet loans for the funding source used for the loan.
10. **Prepayment penalty:** There will be no prepayment service charge in connection with the Home Improvement Loan.
11. **Apply before starting work:** Improvement Loan funds cannot be used to refinance existing debts or costs incurred for repair/improvement work in progress or previously completed. Submit your application prior to the start of any work.
12. **Liens and Encumbrances:** Approval of Home Improvement Loan advances by all junior lien holders is required. An "Approval to Make Home Improvement Loan Advance" letter will be provided to you to send to all junior lien holders and their written approval is required **before** Home Improvement Loan approval.
13. **Current CalVet Home Loan:** The current CalVet loan **must not** be paid in full before the first advance on the home improvement loan is made. Since total processing time, including obtaining estimates, securing loan approval, and commencing work so that the first loan funds are disbursed, may take 60 to 90 days, **you must apply at least three months before your current CalVet Home Loan will be paid in full.** Payoff of your basic CalVet loan prior to disbursement of the first advance may result in additional fees for an escrow to transfer title back to CalVet. Those fees cannot be paid from improvement loan proceeds.
14. **Loan limitation:** Only the original CalVet Home Loan and one Home Improvement Loan may be in place at one time. If the original CalVet Home Loan is paid in full, a second Home Improvement Loan can be allowed.
15. **Inspection requirements:** All work carried out under the home improvement loan program must conform to the appropriate local building codes. Work requiring a construction permit must be done under the inspection of the local building department.
16. **Payments to Contractors and vendors:** The department can pay only material providers or licensed contractors for home improvements as work progresses or is completed. Three progress payments (or reimbursements) will be allowed for loans of \$5,000 to \$15,000, and five for loans of \$15,000 to \$50,000. Ten percent (10%) of the total loan amount will be withheld on large projects until a notice of completion has been filed and the mechanics lien period has expired. Contract holders may be reimbursed for amounts paid to contractors or for materials purchased. Reimbursement for labor will be made only if paid to a contractor (including a temp agency) or with the receipt of complete payroll records including evidence of collection and payment of appropriate payroll taxes. If the contract holder (or member of the immediate family) completes any or all of the improvements, the department can reimburse the veteran purchaser for material costs only.
17. **Cost estimates:** One bid or cost estimate prepared by the licensed contractor chosen to do the work must be submitted. We highly recommend that applicants obtain additional bids and compare the costs of proposed materials and services. We also recommend that applicants check the references of all contractors before they enter into a contract for the work. Additional information on selecting a contractor is available on the California Contractors License Board website at <http://www.cslb.ca.gov>. If the total cost of all improvements exceeds the maximum home improvement loan, the difference must be paid by the contract holder **before** the department will release any payments.
18. **Time limit for completion:** Improvements must be completed within 180 days of approval.

For additional information please contact a CalVet Field Office. Contact information is included in this package.



## HOME IMPROVEMENT LOAN ELIGIBILITY

Home improvement loans are funded with proceeds from the sale of **Qualified Veterans Mortgage Bonds (QVMB)** or **Qualified Mortgage Bonds (QMB)**. In addition a limited amount of "Unrestricted" funds are available for veterans with service during wartime periods. These funding sources have separate eligibility requirements, maximum loan amounts and loan terms.

<b><u>QVMB funds:</u></b>	Loan amounts: \$1,000 to \$50,000 Maximum loan term: 15 years <b>Requirements:</b> Veterans must have been released from active duty less than 30 years, had active duty prior to January 1, 1977, and have at least one day of service during a wartime period (see below), <b>or</b> be eligible for receipt of a Campaign or Expeditionary Medal authorized by the government of the United States.
<b><u>Unrestricted funds:</u></b>	Loan amounts: \$1,000 to \$50,000 Maximum loan term: 15 years <b>Requirements:</b> Veterans must have active service during a qualifying wartime period (see below) <b>or</b> be eligible for receipt of a Campaign or Expeditionary Medal authorized by the government of the United States.
<b>Wartime Service Periods</b>	<ul style="list-style-type: none"> <li>➤ Gulf War: August 2, 1990 through a date yet to be determined. (This period includes the Iraq War.)</li> <li>➤ Vietnam Era: August 5, 1964 through May 7, 1975.</li> <li>➤ Korean Period: June 27, 1950 through January 31, 1955.</li> <li>➤ World War II: December 7, 1941 through December 31, 1946.</li> </ul>

<b><u>QMB funds:</u></b>	Loan amounts: \$1,000 to \$15,000 Maximum loan term: 10 years <b>Requirements:</b> Total family income cannot exceed federally established limits for <b>non-target</b> areas (see chart) (Note: Unremarried spouses must be funded with revenue bond funds)
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### FAMILY INCOME LIMITATIONS for QMB Loans Only

<u>County</u>	1 & 2 Persons	3 or more Persons	<u>County</u>	1 & 2 Persons	3 or more Persons
<b>Alameda</b>	\$82,800	\$95,220	<b>San Francisco</b>	\$113,100	\$130,065
<b>Contra Costa</b>	\$82,800	\$95,220	<b>San Mateo</b>	\$113,100	\$130,065
<b>El Dorado</b>	\$64,100	\$73,715	<b>Santa Barbara</b>	\$64,700	\$74,405
<b>Marin</b>	\$113,100	\$130,065	<b>Santa Clara</b>	\$106,100	\$122,015
<b>Napa</b>	\$73,900	\$84,985	<b>Santa Cruz</b>	\$78,200	\$89,930
<b>Nevada</b>	\$63,600	\$73,140	<b>Solano</b>	\$73,900	\$84,985
<b>Orange</b>	\$75,600	\$86,940	<b>Sonoma</b>	\$74,600	\$85,790
<b>Placer</b>	\$64,100	\$73,715	<b>Ventura</b>	\$77,400	\$89,010
<b>Sacramento</b>	\$64,100	\$73,715	<b>ALL OTHER COUNTIES</b>	\$62,500	\$71,875
<b>San Benito</b>	\$71,900	\$82,685			
<b>San Diego</b>	\$68,500	\$78,775			



## HOME IMPROVEMENT LOAN REQUIRED ATTACHMENTS LIST

*Please include the following with your Home Improvement Loan application. Submittal of these documents will expedite the processing of your request:*

1. A \$25 non-refundable application fee made payable to CalVet Home Loans.
2. A cost estimate for the proposed improvements in the form of a contractor's bid or an estimate from the materials provider(s).

Submit the bid(s) or cost estimate(s) prepared by the licensed contractor(s) chosen to perform the work. We recommend that you obtain competitive bids for all improvements and that you check references before choosing a contractor. Additional information on selecting a contractor is available on the California Contractors State License Board website at <http://www.cslb.ca.gov/contractorEd/FreeInfoPostcard.asp>.

3. A sketch or plan of the improvements. If major alterations are proposed, complete plans and specifications may be required.
4. Verification of your current family income may be required. If necessary the staff processing you loan will request one of the following:
  - If you have been on the same job for at least one year provide copies of your last two pay stubs.
  - If on your current job less than one year provide copies of all W-2 Forms showing your total income for the past two years.
  - If self-employed provide copies of your federal income tax returns the past for two years.



## HOME IMPROVEMENT LOAN APPLICATION

To apply for a CalVet Home Improvement Loan complete this form and submit the following items with your application (see HIL Attachments list for more information). If necessary you will be notified of additional requirements.

1. A \$25 non-refundable application fee made payable to **CalVet Home Loans**.
2. A cost estimate for the proposed improvements in the form of a contractor's bid or an estimate from the materials provider(s).
3. A plan or sketch of the proposed improvement (not required for repair or replacement items).

NAME OF APPLICANT: \_\_\_\_\_ CAL-VET CONTRACT NO. \_\_\_\_\_  
SSN \_\_\_\_\_

ADDRESS OF HOME: \_\_\_\_\_

HOME PHONE: \_\_\_\_\_ BUSINESS/DAYTIME PHONE: \_\_\_\_\_

ESTIMATED IMPROVEMENT COST: \$ \_\_\_\_\_ LOAN AMOUNT REQUESTED: \$ \_\_\_\_\_

DESCRIBE PROPOSED IMPROVEMENTS: \_\_\_\_\_

\_\_\_\_\_

(Use attachments if more space is required)

SPOUSE'S NAME: \_\_\_\_\_ SSN \_\_\_\_\_

NO. OF ADDITIONAL DEPENDENTS: \_\_\_\_\_ AGES: \_\_\_\_\_

	<u>OCCUPATION</u>	<u>EMPLOYER</u>	<u>MONTHLY GROSS SALARY</u>
VETERAN:	_____	_____	\$ _____
SPOUSE:	_____	_____	\$ _____

OTHER INCOME: \_\_\_\_\_ Total Other  
Enter each source of income and the amount and then enter the total at the right Income: \$ \_\_\_\_\_

**TOTAL INCOME:** \$ \_\_\_\_\_

TOTAL OF ALL OTHER MONTHLY LOAN PAYMENTS: (Obligations exceeding 12 months – do not  
include your current CalVet payment) \$ \_\_\_\_\_

DO YOU HAVE AN EXISTING CALVET HOME IMPROVEMENT LOAN? YES ☐ NO ☐

PLEASE INCREASE MY FIRE INSURANCE TO: \$ \_\_\_\_\_ \*

\* If you want to request a specific coverage amount enter it here. CalVet will review your coverage and adjust the amount to the current replacement cost for your home including the proposed improvements.

I (We) agree that any amount loaned to me (us) by the Department shall be secured by a separate loan contract. The interest rate thereon and repayment thereof shall be made as prescribed by the California Department of Veterans Affairs. I (We) authorize the Department to obtain information from and provide information to credit agencies and others pertaining to my (our) credit and financial condition. This authorization shall remain in effect for 120 days from the date below.

\_\_\_\_\_  
Veteran Purchaser's Signature Date: \_\_\_\_\_

\_\_\_\_\_  
Spouse's Signature Date: \_\_\_\_\_



The California Department of Veterans Affairs currently has offices in the following locations. It is suggested that you call the nearest office to confirm office hours before visiting. Any of our offices will be pleased to answer your questions and provide loan application materials. All numbers listed are toll free.

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**Fresno:** **866.653.2511**  
1752 E. Bullard Ave., Suite 101  
93710 **Fresno@cdva.ca.gov**

**Bakersfield:** **866-653-2507**  
5500 Ming Avenue, Suite 155  
93309 **Bakersfield@cdva.ca.gov**

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**Fairfield:** **866.653.2506**  
370 Chadbourne Road, 2d Floor  
94534 **Fairfield@cdva.ca.gov**

**Santa Clara:** **866.653.2506**  
68 North Winchester Boulevard  
95050 **SantaClara@cdva.ca.gov**

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**Sacramento:** **866-653-2510**  
1227 O Street, 4<sup>th</sup> Floor  
95814 **Sacramento@cdva.ca.gov**

**Redding:** **866-653-2508**  
930 Executive Way, Suite 125,  
96002 **Redding@cdva.ca.gov**

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**San Diego:** **866.653.2504**  
Camino del Rio South, Ste. 112  
92108 **SanDiego@cdva.ca.gov**

**Riverside:** **800.700.2127**  
1770 Iowa Avenue, Suite 260  
92507 **Riverside@cdva.ca.gov**

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**Ventura:** **866.653.2509**  
1000 South Hill Road, Suite 112  
93003 **Ventura@cdva.ca.gov**

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You may also reach the California Department of Veterans Affairs at:

California Department of Veterans Affairs  
P.O. Box 942895  
Sacramento, CA 94295-0001

Toll Free Information Number: 800.952.5626

Internet Web Site: [www.cdva.ca.gov](http://www.cdva.ca.gov)  
General Information Email address: [loanserv@cdva.ca.gov](mailto:loanserv@cdva.ca.gov)